



THE CITY OF SAN DIEGO

M E M O R A N D U M

DATE: April 25, 2011

TO: The Honorable Kevin Faulconer, Council President Pro Tem, and Audit Committee Members

FROM: Kip Sturdevan, Interim Director, Transportation & Storm Water Department

SUBJECT: Implementation of Performance Audit Recommendations – Street Maintenance

Attached is an update of the Transportation & Storm Water Department's progress implementing 14 recommendations made by the City Auditor in the audit report entitled *Street Maintenance, City Needs to Improve Planning, Coordination and Oversight to Effectively Manage Transportation Assets*.

In addition we are responding to four (4) additional requests from the February 7, 2011 Audit Committee.


Kip Sturdevan

Attachment: Street Maintenance – City Needs to Improve Planning, Coordination and oversight to Effectively Manage Transportation Assets. Status of the Street Maintenance Audit, May 2, 2011.

Street Maintenance – City Needs to Improve Planning, Coordination and Oversight to Effectively Manage Transportation Assets Status of the Street Maintenance Audit May 2, 2011

FINDING 1 - To improve planning and management of transportation assets and enhance coordination, accountability and transparency of the City's investment, we recommend that the Chief Operating Officer and Deputy Chief Operating Office for Public Works:

Recommendation #1: *Assess the most effective organizational structure to manage the City's transportation functions that will improve efficiency, enhance collaboration, and allow the new Department to implement transportation asset management.*

Status: Complete, pending Auditor's verification.

The Transportation and Storm Water Department (TSWD) was created January 1, 2011. The Request for Council Action to exempt a Deputy Director from the Classified Service to manage the Right of Way (ROW) Division was presented to Council April 26, 2011 with the second reading to be scheduled. As stated in the FY12 Budget Request, the department's mission is to "plan, coordinate and perform right-of way maintenance and improvements and to protect and improve water quality through model storm water programs". In addition, Service Level Agreements are being developed with departments who perform work that impacts the ROW (Engineering & Capital Projects, City Attorney, Public Utilities Department, and Development Services Department).

The department has established the following performance measures and will be reporting on progress quarterly beginning in FY12. Additional performance measures will be added as we further develop the new department.

Performance Measure		Goal
1. Average time to repair a pothole		7 days
2. Average time to respond to a sidewalk tripping hazard		48 hrs
3. Average time to repair a street light		3 weeks
4. Percent of streets overlaid		0.2%
5. Percent of streets slurry-sealed		0.12%
6. Miles of street swept annually		97,000
7. Lineal feet of storm drain pipes cleaned annually		13,500
8. Percent of storm drain structures cleaned on an annual basis		90%

Performance Measure		Goal
9. Percent of dry weather monitoring sample follow-ups that are conducted in two working days		100%
10. Percent of permit required watershed activities completed annually		100%
11. Percent of streets swept at permit-required levels		90%
12. Percentage of traffic operations requests responded to within assigned 30/60/90 day turnaround timeframes		90%

Recommendation #2: *Appoint a leader to advocate for transportation asset management and investment.*

Status: Complete, pending Auditor's verification.

The Director for the Transportation & Storm Water Department (TSWD) has been appointed and the Deputy Director for the Administration and Right of Way Division is pending Council approval May 10, 2011. The SAP position number for the Director of TSW is 0165595. The SAP position number for the AROW Division is pending Council approval.

Recommendation #3: *Begin to take steps to implement transportation asset management, including:*

- a. setting well-defined policies and goals;*
- b. establishing and reporting on performance measures;*
- c. developing short- and long-term plans for transportation assets where the City lacks plans—such as for resurfacing, clarifying and enhancing existing plans, integrating all transportation-related plans, and making these available to the public, for example via the Department's website;*
- d. annually reporting the City's various investments in transportation, including capital projects and maintenance.*

Status: In progress throughout FY12.

Policies are in development. As stated above, performance measures have been developed and additional measures will be added throughout FY12. Short and long term plans for transportation assets will be developed and made available to the public. The department will continue to present the budget for TSWD annually, both the CIP, Underground Utilities Program and operating budget as well as the Transnet budget. A report will be presented to Committee annually reporting the City's various investments in transportation in the previous year.

FINDING 2 - To improve coordination and planning and increase efficiencies of street-related projects, we recommend that the Chief Operating Officer and Deputy Chief Operating Officer for Public Works require that City departments:

Recommendation #4: *Develop a 24-month Citywide excavation plan for all maintenance work and share this plan with other departments and relevant private entities to prevent and/or resolve to the extent possible conflicts involving planned projects.*

Status: In progress throughout FY12.

The newly created Deputy Director of the Administration and Right of Way Division (AROW) will coordinate these efforts and chair the Utilities Coordination Committee (UCC) and the Utilities Policy Committee (UPC). We are in the process of coordinating with other City departments and private utilities to ensure that the responsible party enters their planned work in the City's web-based application for coordinating work within the public ROW. Working with our newly created Task Force comprised of city representatives, we will specify the information that needs to be provided, the frequency of updates, establish a mechanism to ensure the database is updated per frequency, develop monitoring devices, and establish protocols to resolve conflicts.

Recommendation #5: *Develop and implement a documented process for ensuring that City departments and private entities comply with trench cut requirements and identify conflicts in a more timely manner, including establishing policies and procedures and internal controls.*

Status: In progress throughout FY12.

TSWD will develop written standard operating procedures (SOP) for the protocol, processes and internal controls necessary to ensure that city departments and private entities comply with trench cut requirements and identify conflicts in a more timely manner.

Recommendation #6: *Develop suggested changes to the San Diego Municipal Code for holding nonlinear cuts into pavement or the use of trenchless technologies to the same requirements as linear trench cuts during the moratorium period.*

Status: In progress throughout January, 2012:

All parties within the city who trench or inspect or permit work in the ROW have been interviewed as to their current processes. From this group a Task Force has been created.

Work Plan:

Session I: May 9, 2011. Initial meeting of the Task Force. Share results of the interviews and review current policies with task force members as to issues and recommendations for improvement. Share the results of benchmarking of other jurisdictions. Solicit input for recommended changes to the Trench Cut Ordinance that will strengthen and clarify the role of each participant that authorizes, completes or inspects work within the ROW as well as other policies and processes.

Session II: Review a draft proposal, identify and evaluate the impacts of the proposals to staff and other stakeholders.

Session III: Finalize a draft Trench Cut Ordinance and process improvements.

Share proposed modifications with stakeholders.

Review with City Attorney and craft modifications to the existing Ordinance.

Present to LU&H Committee.

Present to Council.

Recommendation #7: *Establish one Citywide subscription and email account for Underground Service Alert notifications within City limits that can be accessed by all relevant departments.*

Status: Will be completed July 1, 2011.

Finding 3 - To improve oversight and coordination of work performed by private entities on or under City streets and ensure that streets are restored to an acceptable standard, we recommend that City Management conduct an evaluation and make recommendations to the City Council to:

Recommendation #8: *Establish written policies and procedures and internal controls for inspections of work performed by private entities to ensure compliance with permit requirements.*

Status: Will be completed July , 2011.

The E&CP staff have begun to consolidate existing training materials, policies, procedures and internal controls into a comprehensive SOP for work performed by private entities to ensure compliance with permit requirements.

Recommendation #9: *Revise City standards for trench restoration to establish more stringent requirements and ensure that public and private entities restore streets to an acceptable level, such as resurfacing curb to curb.*

Status: Will be completed January, 2012.

See plan under Recommendation #6.

Recommendation #10: *Enforce the formal, specific trench repair requirements and establish stringent penalties for unpermitted work, which:*

- *fully cover the cost of current and future degradation,*
- *are based on current costs and updated annually,*
- *incentivize public and private entities to coordinate street excavations.*

Status: In progress, will be completed by January 2012.

Current fee and penalties for non-compliance and unpermitted work will be enforced. Fees and penalties for non-compliance and unpermitted work will be reviewed and adjusted as the Trench Cut Ordinance is reviewed and modified.

FINDING 4 – To improve oversight and coordination of work performed by private entities on or under City streets and ensure that streets are restored to an acceptable standard, we recommend that City Management conduct an evaluation and make recommendations to the city Council to:

Recommendation 11: *Require written and complete records of in lieu warranties and moratorium waivers and other information that is needed by E&CP/Field Engineering to effectively inspect, monitor, and enforce contracts, including tracking this information in PTS.*

Status: In progress. Development Services Department (DSD) has implemented a protocol for documenting any waivers granted to the trench cut moratorium in its Project Tracking System that can be searched for and is visible to any PTS user. TSWD will be working with DSD, E&CP and the City Attorney to enforce the provisions for in lieu warranties.

Recommendation #12: *Reconcile right-of-way permits issued with excavation fees collected for fiscal years 2007 through 2010 and identify an effective method of reporting this information to the new Transportation and Stormwater Department in future years.*

Status: In progress. Will be completed by January 2012.

FINDING 5- To improve planning, management, and oversight of the City's resurfacing program and contracts, we recommended that the Chief Operating Officer and Deputy Chief Operating Office for Public Works:

Recommendation #13: *Revise current policies and procedures for pavement management and contracts to include conducting thorough and timely site assessments to ensure that cost estimates are as accurate as possible.*

Status: In progress, will be completed by July , 2011.

The current policies and procedures for pavement management and contracts will be revised to include conducting thorough and timely site assessments to ensure that cost estimates are as accurate as possible.

Recommendation #14: *Define roles and responsibilities for managing resurfacing contracts and providing construction management services and establish a mechanism for internal control and oversight of resurfacing contracts.*

Status: In progress, will be completed by July, 2011.

TSWD and the Engineering and Capital Projects Department currently have defined roles and responsibilities related to managing the resurfacing contracts. The two departments will formalize the existing processes with proper documentation and continually discuss these roles and responsibilities and other issues as they arise during the regularly scheduled meetings between the two departments. The meetings begin prior to the project construction with the Pre-Construction meeting and continue for the duration of the contract and after the contract ends as needed. These processes will be formalized in writing.

In addition to the previous 14 recommendations additional requests were made at the Audit Committee on February 7, 2011:

15) The new Transportation and Storm Water Department is to work with the City Auditor's office to establish a baseline for total project delivery time for FY2010 to be used as a performance measurement in order to assess the improvements brought by the new organizational structure.

Status: in progress, an SLA is being developed with the Engineering & Capital Projects Department to be completed December 2011.

After consultation with the Auditor's it was determined that the most appropriate mechanism to establish a baseline for total project delivery was to develop an SLA with E&CP that requires a baseline for project delivery time, cost and project inspection as well as any follow up warranty inspections. Ongoing status reports with emphasis on exceptions to the schedule and cost will be required.

16) Present concurrently with this report to full Council a deferred maintenance funding and assessment methodology that can be included as part of the Five Year Financial Plan that will show the necessary funding each year to simply maintain the current condition of city street asset.

Status: Complete, pending Auditor's verification.

This assessment methodology was described in the Deferred Capital Update report that was presented to the Budget and Finance Committee.

17) An evaluation as to whether the new TSWD could do the work of the E & CP Dept./Field Engineering Division, which inspects project contracts and approves the work contractors perform.

Status: Complete, pending Auditor's verification.

Engineering and project management functions were centralized and standardized into E&CP in fiscal year 2008 based on recommendations from the City's Business Process Reengineering Study for Engineering Services. In prior fiscal years, engineering functions were spread across multiple departments. In light of this finding we recommend that the inspection of construction work in our ROW remain in the E&CP Dept.

This type of work is best performed by E&CP primarily because the volume and flow of inspection work for transportation projects is irregular and E&CP staff inspects non-transportation work during these times. In addition, training (Construction Management Academy, tailgates, supervision, shadowing, etc.) and consistency of inspection criteria is ensured across all projects and contractors.

18) Review other models from around the country to determine whether the city should consider consolidating other elements into the new department.

Status: Partially complete. Further study thru FY12.

Between the Auditor's Office and TSWD we have conducted initial benchmarking with 13 agencies responsible for managing, operating and maintaining the transportation system. Each agency is configured differently ranging from those that incorporate most transportation functions into a department to those who have a few core functions within a transportation or engineering department and the remainder of the functions spread amongst other departments. Most agencies do not have a storm water program within the transportation organization. Throughout FY12 we will be evaluating the functions that are housed inside/outside the current TSWD as to whether the mission of the TSWD would be better served by transferring those functions into the TSWD or continuing to house the function within the current department. For those functions that reside outside the TSWD, an SLA/MOU will be developed to ensure that the mission and goals of the TSWD will be served.

